

KVT-7

Rcvd 11/12/08 Logged 11/13/08 Funded? Yes/No Yes
Value date 11/13/08 Initiated by [Signature] Approved by [Signature] Email Conf# Yes/No

Patlan, Tarrie

From: Davis, James
Sent: Wednesday, November 12, 2008 12:31 PM
To: Maldonado, Patricia
Cc: Patlan, Tarrie; Lopez, Gil
Subject: RE: SIBL Cash Balances (TXT Format)

Categories: SIBL, Wire

D. Cort
D. Williams
J. Davis
G. Lopez
C. Osbourne

Xfer, val tomorrow, Nov 13th, 6mm USD from an account below to the SIB USD a/c at BofAnu.

JMD

-----Original Message-----

From: Maldonado, Patricia
Sent: Tuesday, November 11, 2008 4:09 PM
To: Davis, James
Cc: Patlan, Tarrie
Subject: FW: SIBL Cash Balances (TXT Format)

Please see positions today. Tarrie will update me on client outgoings for tomorrow. We are moving funds from Comerica 10MM tomorrow and will most likely drawn down on CAN and GBP positions next. When can we get some relief from second tier?

Regards,
Patricia C. Maldonado
Treasury Manager
Stanford Financial Group

-----Original Message-----

From: Patlan, Tarrie
Sent: Tuesday, November 11, 2008 12:05 PM Central Standard Time
To: Maldonado, Patricia
Subject: SIBL Cash Balances (TXT Format)

CASH REPORT

Monday, November 10, 2008

BANK BAL

BOA - XCD 65,818

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Investment	Pro-Forma Valuation	Invested Amount SIBL	Invested Amount SVCH	Invested Amount SFG	Total Invested Amount
Elandia Solutions Inc.	\$ 371,722,790	\$ 109,505,561	\$ 50,076,178	\$ -	\$ 159,581,738
American Leisure Gp, LTD	150,700,000	66,387,641	-	-	66,387,641
Forefront Holdings, Inc.	40,000,000	38,193,425	10,945,570	6,115,000	55,153,995
Spring Creek Ranch et al	50,000,000	-	41,578,442	-	41,578,442
Health Sys Solutions, Inc	80,000,000	11,001,601	16,006,223	-	27,007,824
DGSE Companies, Inc.	64,000,000	-	24,743,522	-	24,743,522
USFR Media Group	70,000,000	4,220,412	20,251,593	-	24,472,005
The Ultimate Gift Experience ¹	40,000,000	-	\$14,233,085	-	14,233,085
Phoenix Bay, Inc.	18,000,000	-	13,630,000	-	13,630,000
Hisense Broadband Multimedia	79,000,000	9,217,500	-	-	9,217,500
Golden Financial Services	8,600,000	-	8,630,443	-	8,630,443
Seresco Technologies, Inc.	31,000,000	-	8,084,567	-	8,084,567
Caribbean Leisure Wkling LTD	2,200,000	-	7,813,174	-	7,813,174
State Petroleum	7,000,000	7,000,000	-	-	7,000,000
Lumirex Corporation	56,000,000	6,416,261	6,227,251	-	6,416,261
Dealer Advance Inc.	6,227,000	-	6,227,251	-	6,227,251
Reignmaker Communications	2,790,000	6,070,134	-	-	6,070,134
Greystone Pharmaceuticals	5,890,000	-	5,889,393	-	5,889,393
GoAntiques, Inc. ²	38,000,000	-	4,852,967	300,000	5,152,967
Tree Top Kids, Inc.	26,400,000	4,000,000	-	-	4,000,000
KneMed Inc.	7,200,000	-	4,000,000	-	4,000,000
Cognigen Networks Inc.	3,784,000	-	3,784,394	-	3,784,394
Third Miracle	2,577,000	-	2,576,625	-	2,576,625
Parasteel Building Materials, Inc.	2,450,000	2,450,000	-	-	2,450,000
Running the Sahara	1,600,000	-	1,600,000	-	1,600,000
Meleptic Inc.	1,323,000	1,322,834	-	-	1,322,834
The List	500,000	-	500,000	-	500,000
Midway CC Hotel Partners	15,300,000	-	15,300,000	-	15,300,000
Mountain Partners	7,850,000	7,383,243	-	-	7,383,243
Catalyst Investments II	6,400,000	-	6,000,010	-	6,000,010
Washington Nationals	7,300,000	5,878,367	-	-	5,878,367
ACON Project Milagro	7,161,000	4,773,947	-	-	4,773,947
Louisiana Ventures	4,000,000	3,350,500	-	-	3,350,500
ACON Bastion Partners II	8,265,000	5,509,778	-	-	5,509,778
AquaAgro	3,800,000	-	3,800,000	-	3,800,000
ACON Bastion Partners III	3,879,000	2,586,207	-	-	2,586,207
Memphis Bio-Med Venture II	7,500,000	-	2,100,000	-	2,100,000
Panorama	2,200,000	-	2,284,977	-	2,284,977
Datrex ³	500,000	500,000	-	-	500,000
Infinity Israel-China Fund Partners	150,000	-	150,000	-	150,000
SUBTOTAL	\$ 1,241,268,790	\$ 295,767,411	\$ 274,958,415	\$ 6,415,000	\$ 577,140,826

Notes:

- 1 Total invested amount does not agree to the Investment Portfolio Summary Information for the Quarter Ended June 30, 2008. The amount per the Summary is \$14.63M.
- 2 Total invested amount does not agree to the Investment Portfolio Summary Information for the Quarter Ended June 30, 2008. The amount per the Summary is \$5.233M.
- 3 The detail tabs do not denote the investing entity for the invested amount. As such the entire balance, through 6/30/2008, of invested funds is included in the SIBL column

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in US dollars

100.0%

RAS



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Comparison of SIB Salaries to Fees Paid Stanford Entities in US Territories

	2008	2007
SIB Salaries and Benefits ¹	\$ 3,589,494	\$ 3,512,748
Management Fees to SFGGM ²	\$ 132,130,505	73,546,404
Management Fees to SGA ³	42,218,734	-
Referral Fee to SGC ⁴	94,523,080	77,786,218
Total of Fees to US Entities	\$ 268,872,319	\$ 151,332,622
Salaries as a % of Fees	1.3%	2.3%

Alternative Numbers

	2008	2007
SIB Salaries and Benefits ¹	\$ 3,589,494	\$ 3,512,748
Management Fees to SFGGM ¹	\$ 178,204,567	\$ 142,669,711
Referral Fee to SGC ⁴	94,523,080	77,786,218
Total of Fees to US Entities	\$ 272,727,647	\$ 220,455,929
Salaries as a % of Fees	1.3%	1.6%

Source:

1 - SIB's financial statements.

2 - Stanford Financial Group Global Management's financial statements. SFGGM provided marketing and management services for SIB.

3 - Stanford Global Advisory's financial statements. SGA provided portfolio management services for SIB.

4 - Stanford Group Company's financial statements. SGC served as the Stanford broker dealer and sold SIB CD's in the U.S.

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STANFORD INTERNATIONAL BANK LIMITED
2008 Operating Plan - Projection

Parameters

New Money	1,000,000,000
Fixed Assets Growth	-1%
Advances to Customers and Other Accounts	1.18%
Other Assets	1.00%
Spread	12.37%

	Annual Rate	Monthly Rate		2007 Interest %	Interest Paid %	
Non-Interest Income % of Portfolio	10.87%	0.86%	Express	1.95%	1.95%	
Interest Income % of Portfolio	1.50%	0.13%	Performance	6.32%	6.32%	Increase Rates
Management Fee % of Client Deposits	0.00%	0.00%	FlexCD	7.18%	7.43%	0.25%
			FixedCD	7.73%	7.98%	0.25%
			ILCD	5.62%	6.62%	1.00%

Plan 2008

	Dec-06	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
ASSETS														
Cash and Deposits with Other Banks	\$322,887,340	\$487,022,367	\$360,922,230	\$345,828,234	\$330,597,417	\$314,692,229	\$298,540,024	\$281,949,564	\$264,057,514	\$246,588,361	\$228,663,165	\$210,113,338	\$191,210,418	\$171,848,903
Investments at Fair Value	4,935,651,097	6,418,482,319	6,559,956,405	6,702,712,010	6,846,760,743	6,992,114,317	7,138,784,553	7,286,783,376	7,436,122,822	7,586,815,035	7,738,872,268	7,892,306,886	8,047,131,366	8,203,358,297
Advances to Customers and Other Accounts	64,626,475	78,321,496	78,842,720	80,332,282	81,831,408	83,340,160	84,858,598	86,386,787	87,924,787	89,472,662	91,030,476	92,598,292	94,176,175	95,764,189
Fixed Assets - growth of (1%) apr	4,554,743	6,305,478	6,300,223	6,294,973	6,289,727	6,284,486	6,279,249	6,274,016	6,268,788	6,263,564	6,258,344	6,253,129	6,247,918	6,242,711
Other Assets	8,597,795	7,961,915	7,968,550	7,975,190	7,981,836	7,988,488	7,995,145	8,001,807	8,008,475	8,015,149	8,021,828	8,028,513	8,035,204	8,041,900
TOTAL ASSETS	\$5,336,317,450	\$6,998,093,575	\$7,013,990,128	\$7,143,142,689	\$7,273,461,132	\$7,404,419,679	\$7,536,457,568	\$7,669,395,550	\$7,802,382,387	\$7,937,154,771	\$8,072,846,082	\$8,209,300,158	\$8,346,801,080	\$8,485,256,000
LIABILITIES AND SHAREHOLDER'S EQUITY														
Client Deposits	5,010,083,767	6,637,414,893	6,681,586,477	6,807,820,531	6,934,865,100	7,062,725,390	7,191,406,637	7,320,914,113	7,451,253,123	7,582,429,005	7,714,447,134	7,847,312,916	7,981,031,795	8,115,609,247
Accounts Payable and Accruals	14,330,485	21,350,260	17,546,290	17,628,068	17,953,729	18,282,211	18,612,375	18,945,176	18,594,588	18,917,977	19,245,460	19,575,162	19,906,747	20,240,830
TOTAL LIABILITIES	5,025,014,252	6,658,765,153	6,699,132,767	6,825,448,599	6,952,818,830	7,081,007,601	7,210,019,012	7,339,859,289	7,469,847,711	7,601,346,982	7,733,692,594	7,866,888,078	8,000,938,541	8,135,850,077
SHAREHOLDER'S EQUITY														
Share Capital Authorized	10,000,000	10,000,001	10,000,001	10,000,002	10,000,003	10,000,004	10,000,005	10,000,006	10,000,007	10,000,008	10,000,009	10,000,010	10,000,011	10,000,012
Share Premium Account - left fixed	103,500,000	103,500,000	103,500,000	103,500,000	103,500,000	103,500,000	103,500,000	103,500,000	103,500,000	103,500,000	103,500,000	103,500,000	103,500,000	103,500,000
Retained Earnings - Prior Year	168,953,830	197,803,197	197,803,197	197,803,197	197,803,197	197,803,197	197,803,197	197,803,197	197,803,197	197,803,197	197,803,197	197,803,197	197,803,197	197,803,197
Current Year Results	28,849,367	26,998,886	3,554,163	6,390,891	9,339,102	12,108,877	15,135,354	18,233,058	21,231,472	24,504,584	27,850,282	31,108,873	34,559,331	38,102,714
TOTAL SHAREHOLDER'S EQUITY	311,303,197	339,328,422	314,857,361	317,694,090	320,642,302	323,412,078	326,438,556	329,536,261	332,534,676	335,807,789	339,153,488	342,412,080	345,862,539	349,405,923
TOTAL LIABILITIES AND EQUITY	\$5,336,317,449	\$6,998,093,575	\$7,013,990,128	\$7,143,142,689	\$7,273,461,132	\$7,404,419,679	\$7,536,457,568	\$7,669,395,550	\$7,802,382,387	\$7,937,154,771	\$8,072,846,082	\$8,209,300,158	\$8,346,801,080	\$8,485,256,000
Income Statement Calculations														
Investment Income			62,552,363	62,691,626	63,848,027	65,014,903	66,187,489	67,369,765	68,560,106	69,750,800	70,957,579	72,172,592	73,394,423	74,625,646
Investment Interest Income														
Interest Income Other			8,631,881	8,651,098	8,810,675	8,971,698	9,133,508	9,296,656	9,460,916	9,625,225	9,791,754	9,959,419	10,128,025	10,297,927
Other Income			71,184,244	71,342,724	72,658,702	73,986,600	75,320,997	76,666,421	78,021,022	79,376,026	80,749,333	82,132,011	83,522,448	84,923,573
Interest Expense														
Express Accounts	2.18%	232,267	236,710	241,182	245,683	250,213	254,772	259,360	263,977	268,625	273,302	278,009	282,746	
Performance Accounts	0.06%	19,743	20,120	20,501	20,883	21,268	21,656	22,046	22,438	22,833	23,231	23,631	24,033	
FlexCD	24.84%	10,081,559	10,274,433	10,468,546	10,663,906	10,860,520	11,058,396	11,257,542	11,457,968	11,659,680	11,862,688	12,066,998	12,272,621	
FixedCD	72.70%	31,681,763	32,287,881	32,897,890	33,511,816	34,129,684	34,751,519	35,377,347	36,007,192	36,641,083	37,279,043	37,921,099	38,567,278	
ILCD	0.22%	80,045	81,576	83,117	84,668	86,229	87,801	89,382	90,973	92,575	94,186	95,809	97,441	
100.00%		42,095,376	42,900,721	43,711,236	44,526,956	45,347,914	46,174,143	47,005,676	47,842,549	48,684,795	49,532,449	50,385,545	51,244,119	
Management Fee calculation		14,988,932	15,022,395	15,299,430	15,578,973	15,859,885	16,143,117	16,428,281	16,713,533	17,002,635	17,293,709	17,586,417	17,881,374	
Referral Fee calculation		11,049,998	11,258,763	11,468,870	11,680,325	11,893,138	12,107,317	12,322,871	12,539,810	12,758,141	12,977,874	13,199,018	13,421,582	
		26,038,930	26,281,158	26,768,299	27,259,297	27,753,022	28,250,434	28,751,153	29,253,343	29,760,776	30,271,583	30,785,436	31,302,957	
Gross Revenue			3,049,939	2,160,845	2,179,167	2,200,347	2,220,061	2,241,844	2,264,193	2,280,134	2,303,762	2,327,979	2,351,467	2,376,497
			7.61%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%

Client Deposit Balances															
Aruba	106,397,241	136,571,840	139,184,655	141,814,247	144,460,722	147,124,190	149,804,759	152,502,540	155,217,642	157,950,177	160,700,257	163,467,995	166,253,503	169,056,897	
Bolsa y Banca		5,577,570	5,684,277	5,791,669	5,899,751	6,008,526	6,118,000	6,228,177	6,339,061	6,450,658	6,562,971	6,676,004	6,789,764	6,904,254	
Casa	15,833,829	15,103,526	15,392,478	15,683,285	15,975,960	16,270,514	16,566,959	16,865,307	17,165,571	17,467,763	17,771,896	18,077,981	18,386,031	18,696,059	
Luis	58,040,967	62,710,796	63,910,543	65,117,994	66,333,197	67,556,204	68,787,062	70,025,824	71,272,539	72,527,259	73,790,036	75,060,920	76,339,965	77,627,222	
SGC	1,952,659,114	2,591,017,784	2,640,587,673	2,690,475,838	2,740,684,322	2,791,215,181	2,842,070,485	2,893,252,319	2,944,762,777	2,996,603,970	3,048,778,023	3,101,287,071	3,154,133,266	3,207,318,773	
Panama	16,402,146	21,568,008	21,980,635	22,395,912	22,813,854	23,234,481	23,657,808	24,083,853	24,512,633	24,944,167	25,378,471	25,815,564	26,255,463	26,698,187	
Peru	28,382,994	49,456,116	50,402,282	51,354,524	52,312,879	53,277,388	54,248,090	55,225,025	56,208,232	57,197,752	58,193,625	59,195,893	60,204,596	61,219,776	
SFGC	67,579,009	74,258,250	75,678,917	77,108,706	78,547,675	79,995,883	81,453,390	82,920,255	84,396,538	85,882,300	87,377,602	88,882,505	90,397,070	91,921,361	
Frans	168,502,038	200,734,453	204,574,791	208,439,787	212,329,599	216,244,387	220,184,310	224,149,531	228,140,211	232,156,514	236,198,606	240,266,650	244,360,814	248,481,266	
SGA	244,092,893	85,474,611	87,109,863	88,755,614	90,411,933	92,078,886	93,756,542	95,444,970	97,144,239	98,854,419	100,575,579	102,307,791	104,051,124	105,805,651	
SGM	591,352,806	791,449,354	806,590,917	821,829,699	837,166,325	852,601,424	868,135,628	883,769,573	899,503,899	915,339,251	931,276,278	947,315,632	963,457,971	979,703,956	
David - SGC	175,242,905	179,557,234	182,992,422	186,449,666	189,929,108	193,430,890	196,955,157	200,502,052	204,071,721	207,664,310	211,279,966	214,918,837	218,581,072	222,266,821	
SGV	1,057,212,911	1,369,276,315	1,395,472,537	1,421,836,957	1,448,370,657	1,475,074,722	1,501,950,248	1,528,998,334	1,556,220,088	1,583,616,627	1,611,189,072	1,638,938,552	1,666,866,204	1,694,973,172	
STCL	365,344,873	514,696,244	524,543,122	534,453,224	544,426,956	554,464,728	564,566,949	574,734,033	584,966,398	595,264,462	605,628,648	616,059,379	626,557,083	637,122,190	
Suisse	3,869	361,965,321	368,890,237	375,859,616	382,873,744	389,932,908	397,037,397	404,187,502	411,383,515	418,625,733	425,914,451	433,249,967	440,632,584	448,062,602	
Unassigned - SIBL	65,964,845	82,869,995	84,455,417	86,051,018	87,656,865	89,273,022	90,899,556	92,536,534	94,184,022	95,842,089	97,510,801	99,190,228	100,880,438	102,581,500	
Unassigned - STCL OT	12,235,222	13,870,351	14,135,711	14,402,774	14,671,552	14,942,056	15,214,297	15,488,286	15,764,034	16,041,553	16,320,853	16,601,947	16,884,846	17,169,561	
	4,925,267,661	6,556,157,768	6,681,586,477	6,807,820,531	6,934,865,100	7,062,725,390	7,191,406,637	7,320,914,113	7,451,253,123	7,582,429,005	7,714,447,134	7,847,312,916	7,981,031,795	8,115,609,247	
Aruba	2.083%		125,428,709	251,662,763	378,707,333	506,567,622	635,248,870	764,756,346	895,095,355	1,026,271,238	1,158,289,366	1,291,155,148	1,424,874,027	1,559,451,480	
Bolsa y Banca	0.085%														
Casa	0.230%														
Luis	0.957%														
SGC	39.520%														
Panama	0.329%														
Peru	0.754%														
SFGC	1.133%														
Frans	3.062%														
SGA	1.304%														
SGM	12.072%														
David - SGC	2.739%														
SGV	20.885%														
STCL	7.851%														
Suisse	5.521%														
Unassigned - SIBL	1.264%														
Unassigned - STCL OT	0.212%														
	100.0%														

KVT-12

STANFORD FINANCIAL GROUP

Internal Audit Department –October 22, 2004

CONFIDENTIAL

Audit of SIBL 3Q04

Distribution:

Board of Directors - SIBL
Audit Committee - SIBL
Juan Rodriguez-Tolentino - SIBL
Miguel Pacheco - SIBL
Bhanoo Persaud - SIBL
Gil Lopez - SFGC
C.A.S. Hewlett

Audit Team:

Edmundo J. Posadas
Alberto A. Gonzalez

EXECUTIVE SUMMARY

OPINION: Overall, we believe that the internal controls in place at Stanford International Bank Limited in Antigua are adequate and the balances in the financial statement accounts as of September 30th, 2004, fairly represent the results of the operations and the position of the company.

The verification included selective testing of the internal controls in place and the verification of the balances and their related supporting documents as presented on the financial statements.

We encountered no misstatements on the working papers or supporting documents as per our quarterly analysis and coverage. Any other relevant information or questionable items were resolved on site before completion of the fieldwork.

We appreciate the cooperation received from management that facilitated our review.

SCOPE AND METHODOLOGY

Our audit focused on evaluating the effectiveness of internal controls of the financial reporting process, as well as the general internal controls found in the financial operations of the company. Our review and testing was performed as per the trial balance dated September 30th, 2004, on a preliminary status before any posted journal entries.

Among other things, during the audit process we reviewed and performed the following steps:

1. Tested the internal controls of the financial reporting in place at the bank.
2. Reviewed all balance sheet and income statement account balances in ledgers and sub-ledgers including testing of revenue and expense accounts.
3. Reviewed bank reconciliations, deposits in transit, wire transfers and outstanding checks for all accounts as of September 30th, 2004.
4. Reviewed the methodology for calculating depreciation of fixed assets as per the specifications on the calculation sheet.
5. Proper codification of accounts.
6. Reviewed inter-company billing transactions, supporting documents and current balances on account.
7. Reviewed accounts receivable and accounts payable aging schedules as of September 30th, 2004.
8. Reviewed fixed assets allocations and capitalization entries.
9. Reviewed all working papers issued by the SIBL accounting department, from schedule A to schedule P4.
10. Reviewed accounts payable by sample testing.

ATTACHMENTS

Audit Report	AA1
Balance Sheet and Income Statement	AA2
Trial Balance	AA3

SUPPORTING DOCUMENTS

Cash Summary	AT.1
Advances to Customers and Other Accounts.....	AT.2
Fixed Assets	AT.3
Accounts Payable	AT.4

Stanford Financial Group

To: Stanford Financial Group Company
Attn: Board of Directors

To: Stanford International Bank Limited
Attn: Audit Committee

To: Stanford International Bank Limited
Attn: Juan Rodriguez-Tolentino
Cc: Miguel Pacheco
Bhanoo Persaud

To: Stanford Financial Group Company
Attn: Gil Lopez

From: Internal Audit Department

Date: October 22, 2004

Subject: Stanford International Bank Limited – 2004, 3rd Quarter Review

Following are our comments related to the 3rd Quarter Review of the Financial Statements of Stanford International Bank Ltd., as of September 30th, 2004.

The analysis and its findings were performed and evaluated as per the preliminary balance sheet and income statement presented by the accounting department of SIBL at location. This evaluation was made in accordance with standard accounting practices and regulations and does not include the proposed adjustments made by SFGC and those applied by the accounting department of SIBL.

All amounts are expressed in US\$.

Please see attachment AA2

Note: All tick marks in the attachments represent verification of balances in the general ledger and that they are in agreement with the sub-ledgers presented by the local accounting department.

Reference guide per account.

Account	Status	Comments
<u>ASSETS</u>		
Cash Account	In good order	N/A
Advances to Customers & Other Accounts	“ ”	“ ”
Investment Portfolio	“ ”	“ ”
Fixed Assets	“ ”	“ ”
<u>LIABILITIES</u>		
Customer Deposits	In good order	N/A
Accounts Payable and Accruals	“ ”	“ ”
<u>SHAREHOLDER’S EQUITY</u>		
Capital Stock Issued	In good order	N/A
Share Premium Account	“ ”	“ ”
Retained Earnings (Deficit) – Prior Year	“ ”	“ ”
Current Year Profit or (Loss)	“ ”	“ ”
<u>REVENUE</u>		
Interest Income and Non Interest Income	In good order	N/A
Less: Interest Paid	“ ”	“ ”
Service Fee Activities	“ ”	“ ”
<u>EXPENSES</u>		
Salaries and Other Staff Cost	In good order	N/A
Director’s Emoluments	“ ”	“ ”
Bank Charges	“ ”	“ ”
Professional Fees	“ ”	“ ”
Office and General Expenses	“ ”	“ ”
Electricity and Water Charges	“ ”	“ ”
Telephone, Telex and Fax	“ ”	“ ”
Insurance Expense	“ ”	“ ”
Licenses & Permits	“ ”	“ ”
Rent	“ ”	“ ”
Depreciation	“ ”	“ ”
Repairs and Maintenance	“ ”	“ ”

Advertising and Promotion
Travel and Accommodations
Subscriptions and Donations

In good order	N/A
“ ”	“ ”
“ ”	“ ”

NET INCOME (LOSS)

Net Income (Loss)

In good order	N/A
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CONTINGENCIES

Contingencies

In good order	N/A
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Please see attachment AA2

ASSETS

CASH ACCOUNT

Total Balance on account \$ 120,600,919.18 Account in good order

Balance as of September 30th, 2004.

Ledgers, sub-ledgers, bank statements, account reconciliations, letters of credit, transactions, currency rates and adjustments to accounts were reviewed as per the balances presented. The review performed covered all account balances and does not include day-to-day account operations from July 1st to September 30th, 2004. Deposits in transit and outstanding checks were also verified and reviewed. All observations and comments were resolved on site.

Please see attachment AT.1

ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS

Total Balance on account \$ 39,551,405.12 Account in good order

In detail:

Bank Advances to Customers	29,309,912.08
Prepaid Items	5,479,743.64
Accounts Receivable	4,761,749.40

Total	\$ 39,551,405.12

Please see attachment AT.2

INVESTMENT PORTFOLIO

Total Balance on account \$2,606,322,139.52 Account in good order

Investment account was expressed and recorded as per the summary analysis reported by the CFO office.

FIXED ASSETS

Total balance on account	\$ 7,224,541.69	Account in good order
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Fixed assets allocations are as follows:

Building	\$ 4,893,620.82
Computer Software	2,431,340.14
Furniture & Fixtures	739,588.61
Leasehold Improvement	2,865.00
Machinery & Equipment	312,483.30
Vehicles	502,047.88
Artwork & Accessories	56,786.39
Land	573,293.03
Investment Property	2,063,460.00
Work in Progress	52,835.67

Allowance for Depreciation	(\$ 4,403,779.14)
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Total Fixed Assets	\$ 7,224,541.69
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Verified fixed asset accounts and the depreciation calculation schedule. All accounts are in good order.

Please see attachment AT.3

LIABILITIES**CUSTOMER DEPOSITS**

Total balance on account	\$2,606,613,788.17	Account in good order
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Please see attachments AA3

ACCOUNTS PAYABLE AND ACCRUALS

Total balance on account	\$ 9,943,347.16	Account in good order
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In detail as follows:

Accounts Payable	\$ 5,461,681.04
Current Liabilities	3,624,362.18
Accrued Expenses	856,237.01
Employee Benefits Payable	1,066.93

Total	\$ 9,943,347.16

**Please see attachments AT.4,
AA3**

SHAREHOLDER'S EQUITY

SHAREHOLDER'S EQUITY

Shareholder's Equity	\$157,141,870.00	Account in good order
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**Please see attachments AA2,
AA3**

INCOME STATEMENT

INTEREST INCOME

Total balance on account	\$233,548,210.00	Account in good order
Interest Income	\$233,548,210.00	
Less Interest Paid	(117,196,650.00)	
Less Service Fees	(86,467,379.00)	

Total Int. and N/Int, Income	\$ 29,884,181.00	

Verified the profit and loss statement as per the presentation on the financial statements as of September 30th, 2004.

**Please see attachments AA2,
AA3**

OPERATING EXPENSES

Total balance on account	\$ 7,770,930.00	Account in good order
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Expressed in detail:

Salaries and Other Staff Cost	1,613,655.00
Directors Emoluments	45,000.00
Bank Charges	232,698.00
Professional Fees	704,181.00
Office & Other General Expenses	1,105,971.00
Electricity & Water	78,861.00
Telephone and Telex	433,937.00
Insurance Expense	800,255.00
Licenses and Permits	122,141.00
Rent	636,000.00
Depreciation	660,282.00
Repairs and Maintenance	168,859.00

Advertising and Promotion	619,058.00
Travel and Accommodations	533,350.00
Subscriptions and Donations	16,683.00

Total Operating Expenses	\$ 7,770,930.00

**Please see attachments AA2,
AA3**

OPERATING PROFIT

Total balance on account	\$29,884,181.00	Account in good order
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Net Income	29,884,181.00
Operating Expenses	(7,770,930.00)

	\$22,113,251.00

**Please see attachments AA2,
AA3**

CONTINGENCIES

Total balance on account	\$ 5,909,700.03	Account in good order
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**Please see attachments AA2,
AA3**

Verified all expense accounts on the income statement. They were correctly applied and posted to the financial statements. Overall, expenses are in good order.

All contents of this report were partially discussed with Stanford International Bank Management and the accounting department on location.

Should you have any additional questions or comments please so advise.

Regards,

Stanford Financial Group
Internal Audit Department